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April 13, 1999

VIA FACSIMILE AND VIA FEDERAL EXPRESS

202-219-3923

Ms. Lois Lerner
Associate General Counsel
Enforcement Division
Federal Election Commission
909 E. Northwest
Washington, D.C. 20463

PM 376

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 15 10 12 AM '99

Re: State Democratic Executive Committee/Alabama Democratic
Party -- Conciliation Procedures

Dear Ms. Lerner:

I understand that you and Joe Sandler had a brief conversation about the above-referenced matter. I also understand, from a telephone call that I received from one of your staff members, that the Federal Election Commission (FEC) will open a file in this matter and will contact us about it soon.

Nevertheless, in the meantime, I want to take this opportunity to expand on my previous letter. As I indicated, the State Democratic Executive Committee (SDEC) relied on Ms. Sara Jane Tackett for many years to make sure that FEC filings were made in a timely and accurate fashion. Ms. Tackett retired from this role at the end of 1996.

During the first part of 1997, FEC reporting duties were handled by Jay Rhodes. In July of 1997, Mr. Rhodes left his employment at the SDEC, whereupon duties of filing FEC reports were assumed by another employee, Jessica Miller. Ms. Miller had started work at the SDEC in June of 1997.

Ms. Miller filed a year-end report for 1997. During 1998, she assured the SDEC's Treasurer, John Saxon, and Executive Director, Giles Perkins, that FEC reports had been filed in a timely fashion.

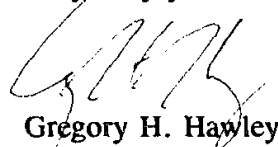
Ms. Lois Lerner
April 13, 1999
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When FEC staff recently made inquiries to Mr. Saxon and/or Mr. Perkins, Ms. Miller assured Mr. Perkins that timely reports had been filed in 1998, that she maintained duplicate copies of the 1998 filings at her home, and that she would send a duplicate set to the FEC to clear up any confusion as to whether they had been filed properly in the first instance. Mr. Perkins relied on those assurances until a recent FEC inquiry caused him to demand to see the duplicate copies. After several days, it became apparent that the duplicate copies did not exist. This caused Mr. Perkins to ask that Ms. Tackett return from retirement and supervise the assembly of an FEC report for calendar 1998, and caused him to retain outside counsel to investigate the problem and report it to the FEC.

On the day I was retained by Mr. Perkins, I took Ms. Miller's statement. I have enclosed a copy for your reference. Ms. Miller resigned her employment with the SDEC on that date.

We look forward to working with you to rectify this situation as soon as possible. Please do not hesitate to contact us if you have any questions.

Very truly yours,



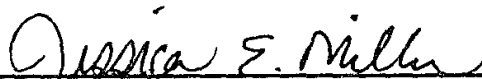
Gregory H. Hawley

GHH/ncr


cc: Mr. Joe Sandler
Mr. Jack Miller
Mr. Giles Perkins

STATEMENT OF JESSICA MILLER

1. My name is Jessica Miller. I am currently the Finance Director of the State Democratic Executive Committee of Alabama.
2. As Finance Director my duties include making timely filings of required reports of Income and Disbursement. These reports are filed with the Federal Election Commission and/or the Alabama Secretary of State.
3. In 1998 I failed to file any FEC reports.
4. I make this statement to the State Democratic Executive Committee and one of its lawyers, Gregory H. Hawley, voluntarily, to assist in correcting these matters with the Federal Election Commission.



Jessica Miller



4/5/99